

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

| | | | |
|--------------------------------|------------------|--|---------------|
| Point of Contact: | Peter H. Winship | RSSD: (For Bank Holding Companies) | 1132636 |
| UST Sequence Number: | 661 | Docket Number: (For Thrift Holding Companies) | |
| CPP/CDCI Funds Received: | 4,500,000 | FDIC Certificate Number: (For Depository Institutions) | 6212 |
| CPP/CDCI Funds Repaid to Date: | | Credit Union Charter Number: (For Credit Unions) | |
| Date Funded (first funding): | March 20, 2009 | City: | Colebrook |
| Date Repaid ¹ : | N/A | State: | New Hampshire |

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

In 2010, First Colebrook made 523 new loans with original loan amounts totalling \$49,950,828.

☒ **To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).**

Business loans (C&I and Commercial Real Estate) loans represented 238 new loans with original loan amounts totalling for \$34,698,869. Residential mortgages represented 110 new loans for \$12,545,811.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

☒ **Increase securities purchased (ABS, MBS, etc.).**

Investment Securities increased 14% or \$3,849,435 in 2010. Of this, nearly all (\$3,624,865) were mortgage backed securities.

☐ **Make other investments.**

☒ **Increase reserves for non-performing assets.**

An additional \$603,000 provision was added to the Allowance for Loan Losses in 2010.

☒ **Reduce borrowings.**

Borrowings were reduced \$760,766 in 2010

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

☒ **Increase charge-offs.**

Charge-offs net of recoveries in 2010 were \$895,000.

☐ **Purchase another financial institution or purchase assets from another financial institution.**

☐ **Held as non-leveraged increase to total capital.**

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

First Colebrook Bank was able to avoid contraction in our lending to small businesses and residential loan customers. This allowed the bank to differentiate itself from the very large banks that contracted lending to small businesses and residential customers.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

First Colebrook Bank was able to continue support to local small business and residential mortgage customers. We were able to continue with economic development and philanthropic initiatives in support of community based organizations.

CPP ANNUAL USE OF CAPITAL SURVEY - 2010



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

First Colebrook Bancorp, Inc. and First Colebrook Bank

Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

The CPP funds allowed First Colebrook Bank to continue be a reliable source of support to our communities through our lending programs and other financial support . Because we did not waiver in our commitment to our communities, we were able to counteract the negative media reports that banks were not lending.